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Burma

Grain and Feed

Beans and Pulses Annual Report

2004

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Report Highlights:
Burma's beans and pulses production is forecast to reach 2.9 million metric tons in CY2004 with an exportable surplus of 900,000 metric tons. The high cost of inputs will remain a major impediment to improved yields.

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Executive Summary

Post forecasts that Burma's beans and pulses production will reach 2.9 million metric tons (mt) in 2004 with a substantial increase in Matpe, Toor Whole (Pigeon pea), and Mung beans. The growth in production is due entirely to an anticipated increase in the harvest area and a return to more normal weather patterns. Total harvested area is forecast at 3.4 million hectares.

Pulses production in 2002/03 is estimated at 2.8 million metric tons. Although planted area was up, yields per acre are affected due to unfavorable weather conditions and insufficient inputs. Since beans and pulses can be easily be fitted into the existing cropping system as mono-cropping, double cropping, or mixed cropping, sown area has increased tremendously with the introduction of a free market system in 1988. Starting from 1992-2002, the annual growth rate of beans and pulses production has increased gradually at the rate of 12 percent, with annual sown acreage increasing at 10 percent annually since 1988. These area increases reflects farmers' responses to the substantial growth in private sector exports. The Government of Burma (GOB) initiative to increase seeded area to 3 million hectares by the year 2003 has been met due to farmers' increased freedom choose their crops. In the prevailing market situation, where pulses prices are more attractive than the other crops due to low costs per acre as compared to paddy and suffering from less intervention by the GOB, the seeded area for export oriented pulses such as Matpe, Mung beans, and Toor Whole (Pigeon pea) has been expanding without much GOB assistance. Beans and pulses also remain the commodity group that has the fewest restrictions on border trading.

Burma is forecast to export about 900,000 mt of pulses in MY 2004. Burma exported 852,000 mt in MY 2003, a decrease of 8 percent as compared to MY 2002 when Burma exported 926,000 mt. In MY 2003, Toor Whole (Pigeon pea) constituted 25 percent, Matpe 46 percent, Mung bean 15 percent and other pulses 14 percent of the total exports. Other beans include: Butter beans (Lima beans) Chick peas, Black Eye beans, Small white beans, Bamboo beans, Kidney beans. Unlike rice, the export of beans and pulses is not controlled and private exporters compete in the domestic market with the Myanmar Agricultural Produce Trading (MAPT), an agency of the Ministry of Commerce that procures beans and pulses for exports.

However, the export of chickpeas is still monopolized by the GOB. But, private traders are allowed to export through MAPT under a new trade scheme recently implemented by the Ministry of Commerce.

The government is encouraging the production of a more diversified basket of agriculture products for export including beans and pulses. It would like to see an expansion of the beans and pulses area in the coming years and for exports to increase significantly, for Burma is designated as a leading country among other ASEAN countries in the growing beans and pulses export trade. Nevertheless, the beans and pulses export trade will depend on government policy. Beans and pulses have become the major foreign exchange earner for the country after the GOB imposed a rice export ban in January 2004. The GOB also plans to increase beans and pulses area through land reclamation projects carried out by private entrepreneurs in Upper and Lower Burma. Since about 65 percent of the total beans and pulses are sown in the cold season while there is residual moisture left after the rainy season, it is the most feasible cash crop to grow in the reclaimed wetland areas after water recedes in October.

According to the GOB, Burma has become the second largest exporter of beans and pulses in the world, after Canada, and aims to penetrate high-end markets such as Japan and various Middle Eastern Countries for Mung beans, Matpe, and Toor Whole (Pigeon pea).

1.1 Production

Post forecasts Burma's 2004/05 beans and pulses production will reach 29 million metric tons, with total harvested acreage of 3.4 million hectares on an assumption of normal weather patterns in mid to late 2004. The high price of inputs will be the major factor limiting higher yields. Although harvested area increased in 2003/04, total production is estimated at 28 million metric tons, as yields suffered due to bad weather conditions before the harvest.

Burma grows eighteen varieties of pulses for domestic consumption and export. Out of these eighteen varieties, Matpe, Mung bean, Chickpea, Cowpea, Toor Whole (Pigeon pea), Black Eye beans, small white beans and Butter beans (Lima beans) are the major export varieties.

Beans and pulses are grown throughout Burma but 90 percent of the total production area is concentrated in the Irrawaddy, Magwe, Pegu, Mandalay, Sagaing and Rangoon divisions. In 2003/04 these crops constituted about 20 percent of total sown acreage according to GOB data. The main emphasis in 2003/04 was on increasing area of Matpe, Mung beans and Toor Whole (Pigeon pea).

Beans and pulses production is entirely dependent on monsoon rains. Cultivation of these crops is determined by the status of soil moisture. In Burma, beans and pulses are grown in both monsoon seasons and also during the cold season as a second crop following the monsoon-season paddy where there is ample soil moisture. Monsoon beans and pulses production constitutes 31 percent of the total while cold season production constitutes the remainder.

Mung beans are grown as a late monsoon crop and also in the cold season. It is planted throughout all the States and Divisions except in eastern and northern Shan States. It constitutes about 28 percent of the total beans and pluses area. The main market is India.

Matpe is grown in the late monsoon season and clod seasons. It is planted in Sagiang, Tenessarim, Pegu, Magwe, Mandalay, Irrawaddy, and Rangoon divisions, and Mon and Rakhine States. It constitutes 21 percent of the total beans and pulses area. The main market is India.

Toor Whole (Pigeon pea) is a one-season crop and is planted in Sagaing, Mandalay, Magwe Divisions and in Kayah, Kayin and in all of the Shan States. It is seeded during the rainy season in July to August and harvested in January. It constitutes 11 percent of the total bean and pulses area. The main market is India.

Butter beans (Lima beans) (Phaseolus Italicize Lunatus) are seeded in the late monsoon season and cold season. It is mostly grown in Sagaing, to the western part of Pegu, Magwe, Mandalay, and Irrawaddy divisions and in the Mon State. 49 percent of Butter beans are seeded in the Mandalay division, constituting 2 percent of the total beans and pulses seeded area. Another variety of beans and pulses known as Sultani/Pya bean (Phaselous Italis Lunatus), also termed Red Lima beans, is grown in Sagaing, Pegu, Magwe, Mandalay and Irrawaddy divisions and constitutes only 3 percent of the total beans and pulses seeded area. Nevertheless, considering these two crops as Lima beans, they constitute 5 percent of the total beans and pulses area. The main markets are Japan and the European Union.

Soybeans are seeded in the pre-monsoon season and cold season in Chin, Kachin, Karen, Mon, and Shan States, and Sagaing, Pegu, Mandalay and Irrawaddy divisions. It constitutes 4 percent of the total beans and pulses area. Burma's soybeans are low in oil content and are not used for extracting oil. It is used as food, mostly for soybean paste.

Beans and pulses yields are generally in the 0.70-0.85 metric tons per hectare range. Since beans and pulses are mainly sown in the cold season, relying on the residual soil moisture, or in the rainy season with the onset of the monsoon season rain, timely seeding is crucial for the success of the crop. An average yield per hectare in 2003/04 was about 0.85 metric ton per hectare somewhat less than compared to the 0.87 metric ton per hectare achieved in 2002/03. That percentage increase in production was primarily the result of increased seeded acreage, as there was a decrease in the yield per hectare.

1.2 Consumption

The Burmese consume beans and pulses as a supplementary dish in their diet to rice. It is also the main protein source diet of poorer consumers. Some varieties are consumed as snacks. Although more than eighteen varieties of beans and pulses are produced in Burma, not more than ten varieties are locally utilized. The most utilized beans and pulses are Chickpea, Gram, Soybean, Toor Whole (Pigeon pea), Mung bean, Matpe, Lab Lab bean, Red lentil, Sultani/pya (Red lima beans), and Gear beans. These are consumed as fried snacks, powdered, boiled, or in soup form, as beans noodles and beans sprouts (esp. Toor Whole (Pigeon Pea). People from Central Burma consume more beans and pulses than people from the other parts of the country, partly due to a lack of green vegetables during the hot, humid summer season. In the Shan States, soybeans are mostly consumed as soybeans paste or curd. Burma is still experimenting with a variety of soybeans from which oil could be extracted.

1.3 Trade

Beans and pulses are the major agricultural export for the country. Burma's beans and pulse's export are forecast to reach 900,000 tons in MY 2004 up from 852,140 metric tons in MY 2003. Exports in MY 2003 totaled 852,140 metric tons, a decrease of 8 percent when Burma exported 926,279 metric tons in MY 2002. The major buyers for Burma's beans and pulses were India, Pakistan, China, Japan Bangladesh, Thailand, Singapore and the U.A.E. Regular buyers from the Middle East were Saudi Arabia, Yemen and the U.A.E. Among the European buyers United Kingdom and Germany were regular buyers and United Sates bought a small amount of 105 metric tons of Matpe in MY 2003.

In MY 2003, exports to China decreased by 46 percent, India by 8 percent, United Kingdom 7 percent and Thailand by 85 percent respectively, even though prices for beans and pulses have gone down both within Burma and on the international markets.

India, the major buyer for Burmese beans and pulses, took 85 percent of the total exports and were a somewhat stable buyer as compared to MY 2002. Traders think that in MY 2003 India bought a significant portion of their beans and pulses from Canada, with whom Burma cannot compete on quality or price. In CY 2003 the major beans and pulses market in India, in Mumbai, Chennai, and Delhi, were weak. Prices remained low in Burma as a result.

Nevertheless, it is noteworthy to report that exports to Japan increased by 11 percent, reaching 13,432 metric tons as compared to the previous year when Burma exported 12,070 metric tons. The increase in exports was mainly due to increased exports of Butter beans (Lima beans) from Burma. Burma exported 8,652 metric tons of these beans in CY2003 to Japan, as compared to CY2002 exports of 5,031 metric tons. Some traders speculate that

Japan will increase imports of Butter beans (Lima beans) from Burma whenever the prices of U.S. Lima beans climb. Even though the amount of Butter beans (Lima beans) exports from Burma is not a large amount for Japan, Post will monitor this situation since Burmese Butter beans compete with the U.S. Lima beans in this market.

In January 2003, the Ministry of Commerce fixed Matpe prices at US$ 224 per mt for fair average quality and US$ 265 for special quality. Since June 2003, prices have dropped to US$ 165 per metric ton for fair average quality and US$ 205 per metric tons for special quality. In November prices for Matpe recovered and reached US$ 190 per metric tons for fair average quality and US$ 230 per metric tons for special quality.

The prices of beans and pulses in the domestic market have also declined since last August. The prices of raw Matpe were about Kyat 24,000(Kyat 800= $ 1.00 U.S.) per bag (98 kilos) in January 2003, and then fell to Kyat 10,800 during the first week of August. The ready cargo price for Matpe was Kyat 120,000 per metric tons in August, down from Kyat 240,000 per metric ton at the beginning of CY2002. Even though current prices are higher than in August, the prices are still lower than in previous years. The fall off in Indian demand is the primary reason for the price decline in CY2003. The principal pulses exported in CY2003 were Matpe, Toor Whole (Pigeon Pea) and Mung beans. India remained the major buyer of Burma's beans and pulses in CY2003 taking 85 percent of the total exports and is likely to continue as the major recipient in the future

After the decentralization of the economy in 1989, the private sector was allowed to export. The Ministry of Commerce issues export license for private companies. Exports of beans and pulses are not restricted except for chickpeas, which are restricted when the army is procuring rations. Beans and pulses are also one of the commodities that can be traded via border trade. Reliable sources estimate that about 10 percent of the total regular trade went through border and sea-borne trade.

1.4 Domestic Market Situation

The collapse of private Banks in February 2003 affected beans and pulses prices in the domestic market. During the collapse of the financial sector, traders and agents of Export Company had their assets frozen in their bank. This restricted the supply of money in circulation and coincided with the cold season beans and pulses harvest. The situation was so bad that trading of beans and pulses became stagnant due to the lack of money on hand, with only a few transactions done on credit. Farmers were badly affected since most of them concentrated on beans and pulses with the expectation of high returns.

1.5 Factors Affecting US Trade

For the time being the volume of Butter beans (Lima beans) exports pose no threats to the U.S. Lima bean market in Japan. Nevertheless, with the involvement of private entrepreneurs in the cultivation of beans and pulses and with increased awareness of the international markets, Burmese beans and pulses traders are likely to push for production improvements to be able to sell to high-end markets, like Japan's. Since Butter beans (lima bean) are a seasonal crop, improved bean quality could be reached within a few years. There is the possibility that Burmese beans, with their competitive prices could take over a considerable share of the Japanese and European market in future years.

Statistical Tables

Table 1.1: Burma's Production Supply and Demand Table for Beans and Pulses

PSD Table

Country	**Burma**						
Commodity	**Beans**				(1000 HA)(1000 MT)		
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2002		01/2002		01/2002	MM/YYYY
Area Harvested	3100	3100	3300	3300	3400	3400	(1000 HA)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	2700	2700	2800	2800	2900	2900	(1000 MT)
TOTAL Mkt. Yr. Imports	0	0	0	0	0	0	(1000 MT)
Jul-Jun Imports	0	0	0	0	0	0	(1000 MT)
Jul-Jun Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	2700	2700	2800	2800	2900	2900	(1000 MT)
TOTAL Mkt. Yr. Exports	1000	926	852	852	900	900	(1000 MT)
Jul-Jun Exports	0	926	852	852	900	0	(1000 MT)
Feed Dom. Consumption	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	1700	1774	1948	1948	2000	2000	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	2700	2700	2800	2800	2900	2900	(1000 MT)

Table 1.2: Wholesale Prices for Beans and Pulses

Prices Table

Country Burma

Commodity Beans

Prices in	Kyat	Per uom	
	2001	2002	
Year		1	% Change
Jan	183,549	192,259	4.75%
Feb	186,037	215,983	16.10%
Mar	171,800	212,735	23.83%
Apr	176,763	219,328	24.08%
May	207,774	213,355	2.69%
Jun	197,229	203,432	3.15%
Jul	209,014	213,355	2.08%
Aug	215,216	216,456	0.58%
Sep	202,811	243,746	20.18%
Oct	208,393	237,544	13.99%
Nov	220,798	225,760	2.25%
Dec	198,470	208,393	5.00%

Exchange Rate	Kyat 800	Local currency/US $
Date of Quote	4/21/2004	MM/DD/YYYY

Source: Agricultural Market Information 2003
Ministry of Agriculture and Irrigation

Table 1.3: Export Prices for Beans and Pulses 2002
(Per metric ton) in US$

Mung bean	US$ 370
Matpe	US$ 460
Cow pea	US$ 320
Bamboo beans	US$ 265
Lab Lab bean	US$ 380
Butter beans (Lima beans)	US$ 280

Source: Agricultural Market Information 2003
Ministry of Agriculture and Irrigation

Table 1.4: Burma's Beans and Pulses Exports for MY 2002/MY 2003

Export Trade Matrix			
Country	Burma		
Commodity	Beans		
Time period	July -June	Units:	July-June
Exports for:	2002		2003
U.S.	42	U.S.	105
Others		Others	
Africa	110		-
Australia	15		-
Belgium	1,578		849
Bangladesh	384		3,563
Brunei			10
China	29,407		15,824
Canada	481		203
Czech	106		90
Egypt	7,372		9,362
Germany	1,294		154
Greece	21		-
Hong Kong	963		411
India	785,351		725,905
Indonesia	2,673		522
Iraq	2,250		5,250
Israel	415		270
Italy	4,242		1,479
Japan	12,070		13,432
Korea	1,554		1,565
Lithuania	281		-
Latvia	22		-
Mauritius	22		-
Malaysia	2,693		2,179
Netherlands	1,111		1,143
Pakistan	35,533		48,247
Philippines	2,291		854
Portugal	663		397
Singapore	4,522		4,393
Spain	636		294
Sri Lanka	4,937		3,293
Saudi Arabia	-		44
Thailand	14,250		2,139
Tanzania	-		2,115
United Kingdom	2,262		2,100
U.A.E	6,432		5,146
Uruguay	146		154
Vietnam	40		199
Yemen	-		44
Venezuela	110		-
Total for Others	926,237		852,035
Others not Listed			
Grand Total	926,279		852,140

Table 1.5: Burma's Beans and Pulses Exports for CY 2002/ MY 2003

Export Trade Matrix			
Country	Burma		
Commodity	Beans		
Time period	Jan-Dec	Units:	
Exports for:	2002		2003
U.S.	63	U.S.	23
Others		Others	
Australia			46
Belgium	1,537		538
Bangladesh	343		27,982
Brunei	10		45
China	32,479		15,357
Canada	217		159
Czech	106		90
Dubai	594		160
Egypt	7,861		7,879
Germany	411		113
Hong Kong	561		411
India	838,695		742,265
Indonesia	2,531		272
Iraq	7,500		277
Israel	400		2,659
Italy	3,844		15,694
Japan	9,823		853
Korea	1,213		2,759
Lithuania	22		589
Malaysia	2,104		50,831
Netherlands	1,189		754
Pakistan	40,301		404
Philippines	2,246		4,191
Portugal	771		42
Singapore	4,287		4,363
Spain	632		3,282
Sri Lanka	2,463		88
Thailand	7,243		1,255
United Kingdom	4,013		1,903
U.A.E	4,707		4,321
Uruguay	529		177
Vietnam	100		99
Yemen	---		220
Total for Others	979,041		890,032
Others not Listed			
Grand Total	979,104		890,055

End of Report.